

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Market Test of Experimental Product-
Metro Post

Docket No. MT2013-1

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued October 18, 2012)

To clarify the record, the Postal Service is requested to provide a written response to the following questions. Answers should be provided as soon as possible, but no later than October 25, 2012.

1. The Notice states that Metro Post will provide customers with same-day delivery from participating locations within “a defined metropolitan area”.¹ Please describe the “defined metropolitan area” where the market test will be conducted.
2. The Notice states, “Each online e-commerce company that wishes to participate in this market test must have at least 10 physical locations nationally, one or more of which must be within the defined metropolitan area of the market test.”
Id at 2.
 - a. Are “physical locations” limited to retail stores?
 - b. Do physical locations also include non-retail locations, such as fulfillment centers and company headquarters?
3. The following question concerns the request for exemption from the \$10 million revenue limitation. *Id.* at 7. Please explain how the Metro Post product is “not likely to result in unfair or otherwise inappropriate competition.” 39 U.S.C. 3641(e)(2)(C).

¹ Notice of the United States Postal Service of Market Test of Experimental Product – Metro Post — and Notice of Filing Material Under Seal, at 1, October 12, 2012, (Notice).

4. The Notice states, “In total, only 200 packages per day may receive same-day delivery from the Postal Service during the initial period of the market test.” *Id.* at 2-3.
 - a. Does the 200 packages per day limitation apply to each test participant?
 - b. How will the Postal Service determine whether the 200 packages per day limitation has been reached?
5. Please provide the basis upon which the Postal Service concludes that offering the product “will not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer, particularly in regard to small business concerns....” 39 U.S.C. 3641(b)(2). In this proceeding, “small business concern” means any courier and express delivery service company² that meets the following criteria:
 - a. Is a business entity organized for profit;
 - b. Has a place of business located in the United States;
 - c. Operates primarily within the United States or makes a significant contribution to the United States by paying taxes or using American products, materials or labor;
 - d. Is independently owned and operated;
 - e. Is not dominant in its field of operation; and
 - f. Has 1,500 or fewer employees.³

² See NAICS Association, “NAICS Code Description: 492110 Courier and Express Delivery Services,” available at <http://www.naics.com/free-code-search/naicsdescription.php?code=492110>.

³ Docket No. MC2010-20, Order No. 473, Order Approving Request to Transfer Selected Post Office Box Service Locations to the Competitive Product List, at 13, June 17, 2010; 13 CFR 121.201, Sectors 48-49, Subsector 492.

6. The Notice indicates three ways that buyers may request same-day delivery: (1) utilizing a qualifying online e-commerce platform to purchase items online; (2) purchasing items at the retail stores that have partnered with test participants; or (3) visiting a test participant's website to purchase items. *Id.* Please explain what constitutes an "online e-commerce platform" and how this differs from a "test participant's website."

By the Chairman.

Ruth Y. Goldway